



**MURANGA UNIVERSITY COLLEGE**

(A constituent College of Jomo Kenyatta University of Agriculture & Technology)

**MAINCAMPUS**

**SPECIAL/ SUPPLEMENTARY UNIVERSITY EXAMINATIONS**

**2014/2015 ACADEMIC YEAR**

**SECOND YEAR SECOND SEMESTER EXAMINATIONS**

**FIRST YEAR FIRST SEMESTER EXAMINATIONS**

**FOR THE DEGREE**

**OF**

**BACHELOR OF COMMERCE**

**COURSE CODE: HPS2212**

**COURSE TITLE: INVENTORY MANAGEMENT**

**DATE: 3<sup>rd</sup> August 2015**

**TIME: 9.00A-11.00AM**

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**INSTRUCTIONS TO CANDIDATES**

Question ONE (1) is compulsory

Answer TWO (2) questions

**MRUC observes ZERO tolerance to examination irregularities**

## QUESTION ONE: Compulsory

- a) Materials handling is a crucial activity as far as inventory management is concerned;
- i. Define materials handling (2marks)
  - ii. State **four** advantages of improved system of material handling (4marks)
  - iii. Explain **five** methods of reducing the cost in materials handling (5marks)
- a) Just in time (JIT) is a more recent approach applied in inventory planning;
- i. Discuss its meaning (2marks)
  - ii. State **three** of its key characteristics (3marks)
  - iii. Suggest ways and means of making it more attractive (3marks)
- b) Discuss any **three** stock records that are used in inventory management (3marks)
- c) (i) Define the term “standardization” in reference to inventory control (2marks)  
(ii) State **two** of its advantages (2marks)
- d) Explain any **four** techniques applied in forecasting the demand (4 marks)

**(TOTAL 30MKS)**

## QUESTION TWO

- a) (i) Discuss **three** types of warehouses (6marks)  
(ii) Highlight **four** factors that managers use when selecting the location of warehouses (4marks)
- b) (i) Discuss why the importance of information technology materials procurement and handling is necessary. (4marks)  
(ii) Explain with reasons why the use of computers aided procuring approaches have not been embraced in Kenya. (5marks)  
(iii) Suggest possible ways of improving the use of information technology in material procurement and handling. (5marks)

**(TOTAL 20MKS)**

### QUESTION THREE

(a) Codifying of inventories has been highly advocated inventories are involved

- i. Discuss why in spite of it being advocated it has got its own weakness (5marks)
- ii. Explain five coding system that are commonly used in inventory management (5marks)

(b) Explain the procedure of receipt materials. (10marks)

**(TOTAL 20MKS)**

### QUESTION FOUR

a) (i) Differentiate between “Inspection materials and “Verifications of stores” (4marks)

(ii) Discuss **three** importance of each activity (6marks)

b) (i) Distinguish between materials requirement planning (MRP) and manufacturing resource planning (MRP) (4marks)

(ii) State **three** applications of each approach (6marks)

**(TOTAL 20MKS)**